

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

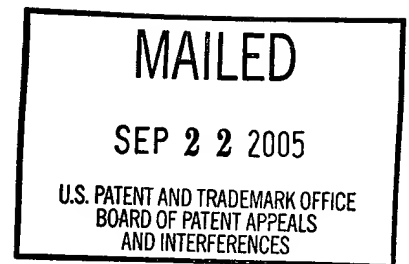
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

Ex parte RABINDRANATH DUTTA

Appeal No. 2005-1636  
Application No. 09/726,272

ON BRIEF



Before JERRY SMITH, RUGGIERO and DIXON, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 37-72.

The disclosed invention pertains to a method and apparatus for handling the distribution and accounting of digital works transmitted from a third party logging server to a customer of a product provider.

Representative claim 37 is reproduced as follows:

37. A computer implemented method comprising:

obtaining, at a third party logging server, a plurality of digital works from a plurality of provider computer systems;

storing the received digital works on a nonvolatile storage device accessible from the third party logging server;

receiving, at the third party logging server, a product sale request from a merchant computer system, wherein the product sale request is received over a computer network;

transmitting, from the third party logging server through the computer network to the merchant computer system, one or more of the digital works, wherein the merchant computer system is adapted to provide the transmitted digital works to one or more customer computer systems; and

recording, at the third party logging server, a sales record corresponding to the product sale request.

The examiner relies on the following references:

|                            |           |               |
|----------------------------|-----------|---------------|
| Pettitt                    | 5,864,620 | Jan. 26, 1999 |
| Robinson et al. (Robinson) | 5,915,022 | Jun. 22, 1999 |

Claims 37-72 stand rejected under 35 U.S.C. § 103(a). As evidence of obviousness the examiner offers the collective teachings of Pettitt and Robinson.

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Rather than repeat the arguments of appellant or the examiner, we make reference to the briefs and the answer for the respective details thereof.

#### OPINION

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellant's arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would have suggested to one of ordinary skill in the art the obviousness of the invention as set forth in claims 37, 47-49, 59-61, 71 and 72. We reach the opposite conclusion with respect to claims 38-46, 50-58 and 62-70. Accordingly, we affirm-in-part.

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837

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F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir.), cert. denied, 488 U.S. 825 (1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the

arguments. See Id.; In re Hedges, 783 F.2d 1038, 1039-40, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976). Only those arguments actually made by appellant have been considered in this decision. Arguments which appellant could have made but chose not to make in the brief have not been considered and are deemed to be waived (see 37 CFR § 41.37(c)(1)(vii)(2004)).

We consider first the rejection of independent claims 37, 49 and 61, which appellant has argued as a single group (brief, page 7). The examiner has indicated how he finds the claimed invention to be obvious over the applied prior art (answer, pages 7-9). The examiner essentially finds that Pettitt teaches the invention of claim 37 except that Pettitt does not specifically recite implementing his system on a computer network nor recording a sales record at a server. The examiner cites Robinson as teaching these features. The examiner finds that it would have been obvious to the artisan to apply the teachings of Robinson to the Pettitt system.

Appellant argues that the process taught by Pettitt does not even begin until the customer already has a copy of the software, and that Pettitt simply relates to unlocking this

software. Appellant argues that Pettitt teaches the use of two entities to take the place of the claimed third party logging server. Appellant quotes the claim language with the third party logging server shown in bold type. We infer from this that appellant is basically questioning whether Pettitt teaches the various functions assigned to the third party logging server. Appellant asserts that the license clearing house of Pettitt does not meet the claimed third party logging server. Finally, appellant argues that neither Pettitt nor Robinson teaches recording transactions between a distributing computer system and a merchant computer system (brief, pages 7-11).

The examiner responds that appellant's arguments are not commensurate in scope with the claimed invention. The examiner notes that claim 37 is absent a specific time sequence regarding in what order the various steps take place. The examiner makes it clear that he reads the third party logging server on the distributor 16 of Pettitt and the merchant on the reseller 17 of Pettitt. With this reading in mind, the examiner explains how the method disclosed by Pettitt meets the invention of claim 37 (answer, pages 11-15). Appellant responds by repeating the arguments made in the brief (reply brief).

We will sustain the examiner's rejection of claims 37, 47, 49, 59, 61 and 71 which appellant has grouped together. At the outset, we note that we do not agree with the examiner's assessment that Pettitt does not teach implementation on a computer network. The entire background of the invention in Pettitt relates to the distribution of digital works over a computer network. Therefore, we are of the view that the person skilled in the art would clearly understand that the Pettitt distribution method is intended to use a computer network. Figure 2 of Pettitt shows providers (authors) sending digital works to a license clearing house 14, where they are forwarded to distributor 16 (the third party logging server), which then forwards the digital works to reseller 17 (the merchant computer), which finally forwards the work to the user (the customer). Thus, the distributor 16 clearly obtains a plurality of digital works from the providers (obtaining step of claim 37). The distributor stores these digital works for reasons explained by the examiner in the answer (storing step). This explanation has not been rebutted by appellant. The distributor 16 receives a product sale request from reseller 17 (receiving step). Even though the user in Pettitt already has the software, the user must send this request back through the distributor in order to

unlock the software. The distributor 16 transmits digital works to the reseller 17 (transmitting step). We agree with the examiner that claim 37 does not require that the digital work be transmitted to the merchant only after the product sale request has been received. Instead, claim 37 only recites that digital works are transmitted from the server to the merchant. Pettitt does this. Thus, we agree with the examiner that the first four steps of claim 37 are fully met by the distribution method taught by Pettitt. Pettitt does not teach that the distributor records a sales record of the transaction although the sales data clearly is transmitted through distributor 16 (column 4, lines 32-51). The examiner cited Robinson to teach that it would have been obvious to the artisan to record sales information at the distributor. We agree with the examiner that it would have been obvious to the artisan to broadly record sales data at any of the levels in Pettitt where the data is available.

With respect to claims 38, 39, 50, 51, 62 and 63, which are argued as a single group, appellant argues that there is no teaching in Pettitt of registering a merchant including an agreement with the merchant as claimed. The examiner responds that the agreement of these claims is non-functional descriptive material and does not alter how the process steps are performed.



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Thus, the examiner finds that any registering in the prior art would meet the claimed invention (answer, pages 15-16).

Appellant responds that the examiner cannot ignore specific claim language by asserting that it is non-functional descriptive material. Appellant argues that the claimed agreement is not non-functional descriptive material in any case. Appellant also points out that the registering step is claimed to occur before the receiving, transmitting and recording steps of claim 37 (reply brief, pages 6-8).

We will not sustain the examiner's rejection of claims 38, 39, 50, 51, 62 and 63 for essentially the reasons argued by appellant in the briefs. The examiner has not properly used the non-functional descriptive material analysis. The claimed invention is not related to printed matter on a substrate. The type of information registered in the step or means of the claimed invention cannot be ignored in analysis of these claims under 35 U.S.C. § 103.

Although appellant argues many of the other dependent claims separately, since dependent claims 40-46, 52-58 and 64-70 depend from claims 38, 50 and 62 respectively, we also do not sustain the rejection of these claims for reasons discussed above with respect to claims 38, 50 and 62.

With respect to claims 48, 60 and 72, which are argued as a single group, appellant argues that Pettitt fails to teach the claimed steps (brief, page 19). The examiner responds by explaining how the collective teachings of Pettitt and Robinson teach the claimed invention (answer, pages 21-22). Appellant responds by repeating the argument from the brief (reply brief, page 12).

We will sustain the examiner's rejection of claims 48, 60 and 62. Pettitt teaches that the LCH 14 pays the provider a royalty and debits the account of the distributor (column 5, lines 29-36). In order for the provider to receive a royalty, the provider must have transmitted a royalty amount for the digital work provided. Although Pettitt does not specifically recite that the royalty is "calculated" based on a "royalty rate," the artisan would have found it obvious to base the royalty in Pettitt on a royalty rate. Although Pettitt discloses debiting the account of the distributor, since the distributor sends the digital work to the reseller (merchant), the distributor would clearly collect a similar amount from the reseller. We note that claim 48 does not recite which of the various entities within the distribution system is performing the claimed steps.



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